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ABSTRACT

One possible way of educating residents of developing countries is through a "university for the poor" based on shared village Internet posts and village technology learning centers. Western colleges and universities could donate their courses, and multinational organizations could subsidize the program's administration. Academics could assess students' assignments without charge by e-mail or reply-paid mail. All the ingredients for a "university for the rural poor" are available now. Before international aid money is invested in tertiary education for the rural poor, however, the international community must ensure that such villagers have moved out of the poverty cycle. This means addressing the matter of helping the villagers in question become viable income generators. The Grameen Bank is one initiative that appears to provide the solution to the dilemma of poverty and lack of educational opportunities in developing nations, and it has been replicated in numerous countries throughout the world. To make the "university for the poor" work, a "user pays" concept, whereby countries pay what they can afford, must be adopted. Appended is information about the Grameen Bank, adapted from "The Price of a Dream," a book by David Bornstein. (Contains 15 references.) (MN)

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A UNIVERSITY FOR THE RURAL POOR IN THE THIRD WORLD

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A UNIVERSITY FOR THE RURAL POOR IN THE THIRD WORLD

> "To see adult women grappling with literacy and numeracy for the first time makes you realise what a deprivation lack of education is." (Community Aid Abroad, 1998)

ABSTRACT

Educating for a better world? Why not a "University for the Rural Poor"? This paper elaborates a vision about education being made available to the third world rural poor through shared village Internet posts and village technology learning centres; with Western colleges and universities donating their courses, and multinationals subsidising the administration, and academics assessing free of charge the students' assignments by e-mail or reply-paid mail. So what does it take to action this for the poor? We have all the ingredients now: we just need the global fellowship. Inspired by Professor Yunus and the work of the Grameen Bank, and motivated by her aid work with the rural poor in Vietnam, the author challenges institutions in the western world to provide education to the third world rural poor, not free of charge, but at a rate they can afford.

PREAMBLE

In order for people to concentrate on improving their knowledge and skills through educational programs, according to Abraham Maslow's theory on the hierarchy of needs, they must first have satisfied their basic needs for food and shelter. Thus before we spend international aid money on, or invest in, tertiary education for the rural poor in third world countries, we have to ensure that they have moved out of the poverty cycle. This means that we must address the matter of assisting such villagers to become viable income generators. The Grameen Bank is one such initiative that appears to provide the answer to this dilemna and it has been replicated in many countries in the world, for example, in Bangladesh (Wahid, 1993), India (Todd, 1996), Nepal (Todd, 1996) Malaysia (Gibbons & Kasim, 1994), Vietnam (Todd, 1996), the Philippines (Rahman, 1992), the USA (Counts, 1996), South Africa (Calvin, 1997), and Bolivia (Islam, 1997).

While I had heard about a number of innovative community loan schemes in Australia, it was not until 18 months ago, that one of our AVVRG (Australian Veterans Vietnam Reconstruction Group) members, Dr Godfrey Gap from Toowoomba (a medical doctor who had worked with the indigenous mountain villagers during the war), sent us material on the Grameen Bank's micro-finance loan scheme and suggested we investigate this option for Vietnam. So in our 1998 aid trip to Vietnam in January this year, Maria Finlay and I organised a survey of 400 women in the villages surrounding the town of Ba Ria as to their small business finance needs (Hoeksma, Gow & Finlay, 1998). As is the way of cross-cultural communication via an interpreter, it took us an hour and a half to establish that they had just trialled a micro-finance loan scheme with the Womens' Union and the Vietnam Bank for the Poor and it had failed. My colleague was concerned when she met some of the women who had not benefited (one lady lost her house) through that scheme. Obviously these loan schemes were not simple to administer. Consequently, I was not about to rush off to implement the project, although I would apply for support grants for the pilot scheme. I could not afford the time to be involved with something that would fail because of lack of effort, preparation or knowledge, on the part of any of those involved.

The previous year, when I had visited the United Nations Development Bookshop in Hanoi, I had purchased a book on micro-finance loans in Vietnam which outlined the problems that each of the schemes had faced. The fact that such schemes were not easy to replicate successfully prompted me, in 1998, to follow Professor Yunus' lead (when at Chittagong Univerity in Dhaka) and involve university students in exploring information about micro-finance loan schemes. At the end of the first semester, my fourth year organisational psychology students presented their findings about micro-finance loan schemes in Bangladesh, Vietnam and the Phillipines to the class. So I learned a little more about the problems associated with such schemes. Then because Professor Yunus was actually coming out to our university in November, on his way to receive the Sydney Peace Prize for his work with the Grameen Bank, I thought I should read a lot more, as I had been invited to attend the special dinner for him following the public lecture. As I read, I became convinced that there are a number of factors that must be present in the schemes and that, regardless of the culture in which the micro-finance loan scheme is conducted, a critical path of success could be mapped out; I determined that I would pursue this as my community service research over the next year.

Recently I remembered that education and training is more my forte and that I would like to set up a university or college for the poor in the third world countries, especially Asian countries. It also seems to me that we have all the ingredient for a Virtual Grameen style university for the poor which could target primarily the women and their families in rural villages, in countries where the Grameen bank replications have met with success.

According to the World Bank (1994), "educating girls yields a higher rate of return than any other investment available in the developing world" (p. 7), because educating women reduces both infant mortality and fertility rates. Imagine working with the Bangladesh Rural Advancement Committee, as they extend their NGO (non government organisation) model of bringing primary education to village girls (The World Bank, 1996) to bringing tertiary education to their mothers, fathers and older sisters and brothers.

In November 1998, Professor Yunus came to Brisbane and gave a public lecture on "Socially Conscious Capitalism" during which he quietly expounded, with philosophical humour, the experience of the Grameen Bank (see Bornstein, 1996: *The Price of a Dream*). In order to evaluate what I have to say about a "University for the Poor", you would need to understand the ways of the Grameen Bank (see Appendix A for a criptic overview). There are set rules and processes that must be followed to ensure success, and group support and group pressure are vital to the continuing functioning of the program. There are no welfare handouts; people pay for their own goods and services.

[In 1997, when I heard that the Women's Union and the People's Committee in Vietnam were charging the poor women to undertake the training programs for which I had obtained AusAID funds for, I felt annoyed, as I did not appreciate why they did that - it weeds out those who will take up the valuable training time and places and acts as a check for motivation. It was going to be a once off operation, and while a Type two error would be committed in leaving out some women who could benefit, the pool of needy was so large that it was better to have the seats filled, than left unfilled half way though the training program; and asking women to pay something towards their training had meant greater commitment on their part.]

Bornstein (1996) explains that very poor people, who have courage, tend to pay instalments better and this is one of the motivators that Grameen group leaders use in their selection process:

"Yes," Rokeya said. "You know I'm poor. God has made me poor. But I can raise Ducks

> and Chickens. I can work with date palms to make Molasses. I have a cow. I can give the Cow grass and feed and then if I can sell the milk, I can buy Seer [about 2 pounds] of rice. Then I can sell my Ducks' and Chickens' and make some money. Don't I think of these things?" (p. 212).

The University for the Poor is not an aid education program. It is a user pays system based on the experience of the Grameen Bank.

Grameen has set up Grameen Check (a cloth manufacturing company), a Grameen Telephone company and Grameen Cybernet which are vital points in the story I am about to tell about a university for the poor, which we shall call INTERUNI. But we have to move people out of poverty first, before they can concentrate on learning. Thus it seems that the most suitable place for such a university to be piloted is where they have undertaken a successful Grammen Bank replication and where the families have had a slightly higher standard of living for about five to ten years.

First Step. Most aid programs focus on improving health care, housing, and infrastructure, such as roads, transport, communication, clean water, provision of power, and agriculture improvements. In the past few years, because of the success of the Grameen Bank, small housing loans have been added into many aid programs. Some aid givers have focused on training people, but that does not give them college or university accreditation.

Second Step. Once people acquire some basic improvements in basic living standards, they want more for their children, and education is one of those desired commodities. In most countries, the citizens pay for tertiary education, it's not free, even for the very poor, except in rare circumstances. Thus to make the University for the Poor work, we need to adopt the "user pays" concept (within their means). So the University for the Poor will not be free. Exactly what the fee will be will depend on the comparative fees for government provided primary and secondary education.

WHAT'S IN IT FOR AUSTRALIA AND THE WEST?

On a social justice level, if we have something that is not going to cost us a great deal (except for teachers' time on special leave, or tutors' time for assessment, or the donation of one or more subject units or some postage), then we owe it to the poor in our world. Besides, we may very well be the next world poor, and it would be good to have some friends whom we have helped in the past.

From an international relations point of view, we need allies in the third world - the balance of power is shifting quickly. Looking at it economically, if we forge ties with a country in this manner, then that may be good in the future for our international trade.

Perhaps you worry that such a concept would destroy the international student market, on which so many university and colleges rely for income now. These aren't the sort of people who could afford to travel to Australia (or to the United States of America, New Zealand or the United Kingdom), but they might send over their country's officials to undertake higher degrees, when they get to know more about the beauty of our country and the friendliness of Australians.

You may be concerned that others, who are not truly poor, might try to obtain free education, but

we can solve that problem by initially not offering the courses here in this country. Overseas, INTERUNI would be only available for those people who live below the poverty line, as defined by the Grameen Bank.

Perhaps you think we have enough poor in this country who cannot access education, especially tertiary education, "without going half way around the world to help others". The major difference in this country is that we have free education at primary and secondary levels. That is not true in many other countries, regardless of the rhetoric about free education that government ministers and international agencies promote as being the agreement. Families have to pay and they cannot afford the clothing, books and the food levies that sometimes are imposed, should they be lucky enough to have a school in their village. Most of the third world children do not go on to secondary schooling, let alone have a chance to study at university level. If we opened up such a concept in this country, we would be swamped by people who expect to get things for nothing, because of our welfare mentality. Poor people in third world countries do not expect to get anything for nothing; they expect to pay and pay they will, but at a rate they can afford.

The reason education is so important is that it is recognised as being a key factor in improving the standard of living of poor families (World Bank, 1996). That is why, as soon as a poor village woman obtains sufficient income to purchase or grow sufficient food for the family and to make their housing weather proof, generally she sends her children to school. That is why families from poor countries make great sacrifices to send their children to university, to ensure that they will have a good income from that education which will feed back into the family, and will make that family proud.

[In Ba Ria, in the south of Vietnam (where our Australian soldiers were stationed during the war), when we were assessing the impact of the health care training program for which we obtained funding from AUSaid, we saw how much the opportunity had meant to those people who had increased their status in the community by having completed a training program. They exhibited quiet pride. But we did not have certificates for them, although we did have for the women who completed the garment making training program and the small business training program which we also funded. These training programs eventually resulted in jobs, promotion, or greater income generation, for many of these people.

I came away thinking that if we could get them more formal recognition of their training, even if it were for small training modules, we would be adding a substantial contribution to their lives and to the standards of the town and its surrounding villages.]

Some of the courses that would be in demand would be small business management, project management, health care, farm management, trades of all kinds, accounting, auditing, tourism and hospitality, administration, production and quality control, languages, management, and engineering. Now we can't do all of those, or those that require equipment, because the rural poor generally don't have access to the necessary equipment - unless we set it up - but we can create uni-telecentres in locations aligned with the Grameen Bank, for instance.

A VIRTUAL UNIVERSITY FOR THE POOR

In Australia, we have developed a wide array of knowledge and skills in flexible delivery (although Singapore would surpass anything we may have developed in Internet-delivered courses) which can be harnessed for the purpose of establishing a virtual university for the poor. A virtual university for the poor means that flexible delivery takes on a whole new meaning from

what we know in the west. It means flexible enrolment, flexible suppliers of materials, flexible sources of assessors, flexible awards, with no time limits for obtaining that one piece, or multiples pieces, of paper. The one thing that makes this university tangible is that at the end of the day, when the students have accomplished their aim, they will have very real parchments in their hands, as university awards.

Global Flexibility

Qureshi (1993) advocated that global links were inevitable and suggested that cooperative systems for vocational education should be undertaken now, rather than later. UNESCO has already launched an international project for technical and vocational education (UNEVOC). This means that we have an opportunity to pool our resources internationally, so that vocational educators can vastly improve training at international levels.

Perhaps real villagers who have strong social and economic networks will make better use of Electronic telecentres than those in Western rural areas. It may take televillages five years for the education and training providers to supply the appropriate linkages (making the right connections where the right demand is) before students and trainees can access the network through electronic networks and technology driven facilities. All the technology would have to be available for this and I am sure that we would have no trouble initially obtaining some subsidy from multinational companies and international NGOs.

Maintenance would be the other major problem requiring techincal staff to be available to correct system malfunctions and breakdowns.

Tools of Flexible Delivery

In Australia, flexible delivery is available to assist the learning needs of the individual, while still maintaining the standard of the training. In Australia, this can be done face to face, or through open learning centres, at work, or at home using: audio vidual tapes, E-mail, Internet, written material, audio tapes, video tapes, CD-ROMs, telephone contact, television, radio, teleconferencing, computer conferencing, computer packages, videoconferencing, audiographic conferencing multimedia, electronic information exchange systems, the internet, bulletin board conferencing; and internet conferencing. In 1995, when I delivered a paper on Telelearning at the Vocational Education and Training Research Institute Conference at the University of Southern Queensland, I said that it would be difficult for poor countries to "keep up" with the technology required for flexible delivery of programs; but if villagers in a very poor country like Bangladesh can have access now to the Internet, then nothing is impossible. In Vietnam, people share telephone links and with Australia's help, Vietnam has set up Internet links throughout the country, and in Bangladesh, a villager operates not just a phone for other villagers to use, but now also an internet service. We have everything set up for open Learning - why not a global village internet telecentre?

Telecentres, Televillages and Telelearning

The concept of telecottages, telecentres and televillagers has now been around for over a decade and our open learning centres have modelled themselves on such ideas, with respect to making education available to rural and remote students.

Telecottages are community centres which have modern electronic communication facilities which enable the population to share resources in education, training, employment, and social and economic development.

The first telecottage was established in Sweden in 1985 and pointed the way to counter not only the economic and social, but also the educational disadvantages which affect rural and remote communities. The first telecottage in Australia to utilise education and training commenced in Walcha, NSW in 1992.

Since then, several telecottages have been set up throughout Australia with differing successes. To work effectively, the telecottages need a community facility with telecommunications and information processing equipment so that the public can access them. The telecottage concept was meant to benefit the local communities by providing services to local businesses and distance working opportunities, and in some places has already provided local training facilities, open learning access points for distance education, and expanded social networks.

The development of "telecottage villages" in the third world, could link rural communities globally through communication and information technology. The villagers and townspeople would need to have access to a village Internet post; they would have to pay for this, just as they have to pay for using the village water pump. They are used to regulating scarce resources. And there are already Internet cafes in Vietnam and villagers utilise common phone points, so it is feasible that this sort of technology can be harnessed for teaching. Grameen CyberNet is already established in Bangladesh.

Figure 1 outlines the combination of traditional and virtual links to be utilised in operating the University for the Poor. INTERUNI would utilise a unique blend of modern technology and traditional village communication networking where educational materials and expertise is provided from international sources channelled through a Grameen type telecentre which could be very basic, as they have to be in third world rural areas, and further disseminated through social, telephone and postal networks.

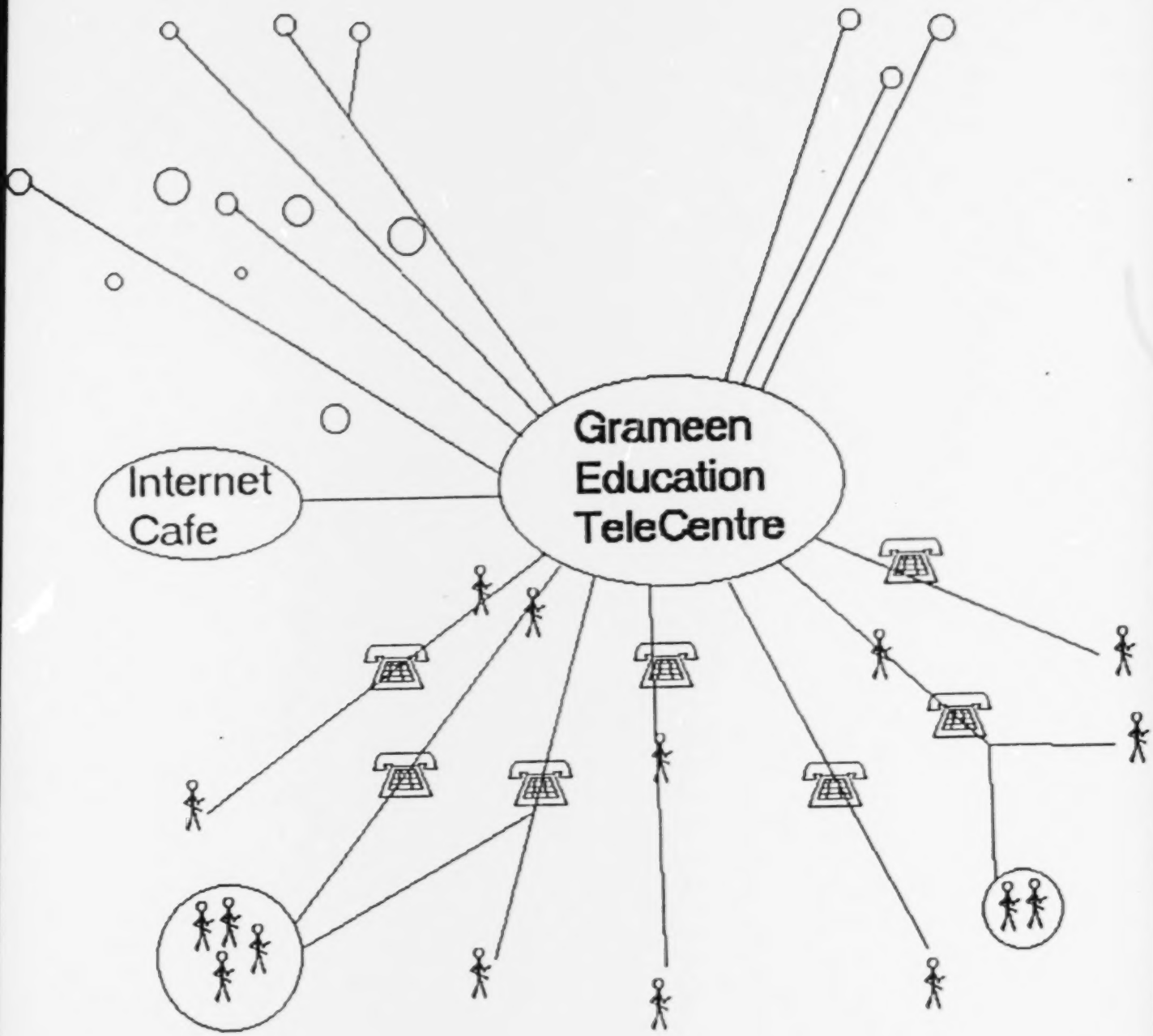

Figure 1: INTERUNI Virtual and Village Links

HOW WOULD INTERUNI OPERATE?

In the beginning, what will be needed is a combination of Australian, International and in-country educational administration systems. A special needs analysis for each country or province would need to be undertaken to ensure that the courses on offer were of use to the students who enrolled. The nature of the course could be devised with representatives from a range of stakeholders within the country, with the primary aim being that of raising the standard of living (as measured by a number of desirable factors) of those involved and their families and communities.

Later on, as the programs become more established, the best way for this to operate will be for it to be conducted in-country. This would mean a lot more work for the directors, administrators and teachers, but would be a more sustainable educational system in the longer term. To ask the in-country universities to take this on now would be like asking the Australian unversities to operate without any fees or financial support, just because there were poor students who could not afford the fees.

There are, in fact, a number of alternative methods of delivery and administration, some of which are discussed here.

We would need a group of participating college/universities in one or more countries. We would need international sponsors (private and/or government) to assist with some gap funding.

Initially, to provide enough momentum for the Univeristy for the Poor, it would be necessary to commence the program by having International universities provide the materials and some of the expertise, and later to move the programs to in-country modes of delivery and operation.

Participating colleges/universities would provide units free of charge - perhaps 1 unit only from a course). If the material is already available on the web, then that would simplify the movement of, and access to, materials in these villages. A university could specify that there would be a minimum of one person per semester in any one unit; or to solve the problem of such individual enrolments, they could donate the content material etcetera to INTERUNI, the international university for the poor, and then only have an accrediting function at the end of the completion of the unit. You might think that that means a lot of special paper work, but we give students results proformas now; that could count as the certificate for each unit completion.

We are highly skilled in "train the trainer" programs here in Australia, so all that hard work done by the the Australian National Training Authority would not go to waste in this project. So using a "top down" approach, we could start with selecting and training the coaches and the tutors. Obviously we would need to train Internet specialists and tutors to oversee the program in each home country. However there is also another alternative, that of the in-country graduate student tutor.

Peer tutoring and group tutoring

The concept of the virtual university for the poor does not rely solely on the internet, computers, telephone cables and reply-paid mail. It needs real bodies to spread the information, to monitor its delivery, to administer it, and to assess and coach students. Who better than the graduates of

the programs, assisted in the beginning no doubt by volunteer Masters students from in-country universities, to teach others. A certain percentage of those first degree holders would go on to become agents after they had completed a Business/Accounting or Administration/MBA degree.

Thus using the "bottom up" approach, each student/trainer who connects to the Internet system and who pays, could teach 40 others who may submit assessment via the in-country agent for marking. All 41 people could gain their certificates/diplomas/degrees. [Whether or not we charge just one fee or 41 would need to be determined.] The student/trainer could then charge them for training others, so he/she can earn some pocket money (at fixed rates) which allows them to pay for the next degree at basic cost.

Going one step further, there is nothing to prevent a small group of villagers, within or across villages, from enrolling in small business accounting, auditing or quality control. Each person then is responsible for ensuring that each other person in the group completes the assignments, understands the concepts and processes and can do the tasks satisfactorily. It may be possible that they can't receive their own certificates, until every other member of the group is up to standard. If it works for Grameen Bank, then group pressure can work for completion of educational tasks. Those of you who know the Grameen Model will recognise the networking concepts outlined in this paper.

ENGLISH AS THE MEDIUM

English is now the international language of the Internet. To begin with, the major entry requirement is that students will have to understand, read and write English. While it would be an added bonus, if they have good speaking and listening skills, these components of English language skills will not be necessary to commence the course. This insistence on English as the main medium of communication is not ethnocentric, it is not exclusivity, it is reality - English is the international language of the Internet. Telelearning will only work with one language at the beginning, as the cost would be prohibitive in terms of translation, if other languages were to be added into this fledgling educational project. Possibly by the time INTERUNI is established, the technology for instant translations will be available at an affordable price.

Having said this, while the program would work better in India where the English Language is spoken more widely, if the tutors wish to translate the curriculum into other languages, or from other languages, that is up to them. They may charge for this, as they will charge for additional tutoring. Hence a new form of enterprise is immediately created in the third world - private tertiary education. Undoubtedly the problems would increase with quality control and assessment once the translations begin, and auditors may find it difficult to monitor the quality, if they do not speak these particular languages.

CURRICULUM CHOICES

As previously referred to, some of the courses that could be offered would revolve around small business, administration, farm management, tourism, production and quality control. The selection of initial courses would have to be made after a careful needs analysis of the participating areas and income generating opportunities.

In the mean time, we have enough colleges and universities in Australia alone to make

certificates, diplomas and degrees available right now using a relaxed generic degree model. Students undertaking a generic degree would have a greater range of choices and would be able to undertake more basic units than is generally permitted in Australian degrees.

Such a generic degree model puts the student at the controls: they would decide which units to study, in consultation with their career tutor in their home country. Each student would determine their own career paths and chose their own units. They might complete these in modules, so at the completion of a range of units (for example five units) which could be considered as a module, they could apply for a certificate in small business, or at the completion of three modules, a diploma in management administration. They could continue in this way by adding a certificate in accounting, another in auditing and eventually obtain a degree; any combination of certificates (worth 50 credit points) and diplomas (worth 150 credit points) could add to a degree (300 points). This enables them to exit with their pride intact and have something to show for their effort and money, at different stages along the way.

Any units of any value can be added together to a total of 300 credit points. Thus there would be a maximum of 50% of units allowed at TAFE college level to ensure that 50% are indeed at university level. At the end of the study period, they receive their degree, even if it takes 10 years. Indeed the 10 year barrier for credit should be waived as well, or extended to 15 years because of arduous conditions for learning.

STANDARDS

I went through a series of determinations about how we could have a tertiary entry test, where students undertake a core skills test and provide evidence of their secondary school education.

Then I asked why should we have any entry level qualifications - why not simply waive them? When a race of people has been denied access to secondary education, why stipulate that they have to do secondary education when they don't really have to. What is the point of competency based assessment and recognition of prior learning when we deny them a basic right, the right to try and to struggle if necessary to learn something which can change their lives and the lives of their families and their villages for the better.

Why insist that they have to have an IELTS score of 6.5 or an TOEFL score of 550 when we are not assessing them on English comprehension or English Literature etc; we are using English as a medium of communication for them to obtain a certificate, a diploma or a degree in a trade or professional area.

[We would expect some teething problems during the settling in phase. However, according to the National Board of Employment, Education and Training (1994), while there has been some evidence for marginally lower academic achievement and higher failure rates for off campus students during their first year, that effect reduces after the first year, as does the failure rates of NESB students after their first semester (Gow, Chant & Cook, 1995).]

Progression rules would be much like our own; students would need passes and would only be allowed a maximum of eight conceded passes (equivalent to a full first year) in order to continue (but could exit with a certificate at that stage). So for a generic business degree, they could pick any level units, as long as they satisfied the pre-requisites, with the proviso that they they undertake 30% of their units at a higher level.

In terms of evaluating the quality of the degree, it would be up to the employer to evaluate the

worth of it to them; hence we do not have to worry about the ratio of first, second and third year levels. Distinctions and high distinctions would, of course, only be awarded to those who did the third or fourth year level units. The major import of the INTERUNI degrees is to expose the rural villagers in the third world to a wide range of information and skills, in order to improve their income generating abilities. They would not undertake these courses for leisure, as you might appreciate. We would have to preselect the students carefully, just as they do with the Grameen Bank. We want people to succeed - unit by unit, village by village.

If we do this, we would onsell, at a low price, or donate, the unit to the INTERUNI. (Naturally, copyright issues would need to be sorted out, but signing over of copyright to INTERUNI might be the easiest solution). In one sense, this will not cost the donor universities anything, unless someone sells the unit to other countries in order to make money out of them; very enterprising, but not for the purpose they were intended.

The cost would escalate if the donor universities supply staff who were to assess student assignments or examinations, or to train the trainers in-country. Once again, this could be seen as international experience for the staff member and could establish research opportunties for Australian universities in third world countries.

I can hear you saying how can we know if they completed the assessment, or if someone else did? I don't know. Do you know who completes the assignments of your students? Or who really undertook the distance education program that Mary Lou was enrolled in? You can be sure that Elisha, the poor village woman, will only do it once for someone else, and as she does so, she will be learning more skills; but she won't do it a second time, unless they pay her, and in the final analysis, the student still has to produce the goods in the business world or on the job, or they won't generate the income.

Students would certainly need to have some ID to use the INTERUNI televillage facilities and to gain access to any materials that are made available, so such a stipulation may counter some of the above concerns.

Accreditation. Who will be the accrediting bodies? Which universities will the students graduate from, if they pick one unit from here and one unit from there? Perhaps those that donate the most units in that particular degree. However it is most likely that we will actually have INTERUNI graduate them with imprimatur from the donor universities.

THE WAY AHEAD: GRADUATING FROM INTERUNI

My vision is that in five years time, we could have our first cohort of rural poor in third world countries obtaining a tertiary "certificate" from INTERUNI, the University for the Poor, having conducted a vast portion of their studies via the Internet and with in-country tutors and peer trainers. INTERUNI can be a guiding light for this planet; if the poor can go to university, then anyone can do anything. Just as we see photographs of the joy of a poor woman who receives her first loan, we can also picture the pride as she steps forward to receive her tertiary certificate or watches as her husband or children are awarded their degrees from INTERUNI.

Which universities and colleges will be the first to step forward to make this happen?

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APPENDIX A

THE GRAMEEN BANK: A BRIEF INTRODUCTION. NOTES FROM DAVID BORNSTEIN'S BOOK "THE PRICE OF A DREAM".

Professor Yunus believes that poverty is similar in character everywhere "the frustration - not seeing any opening, being cooped up in a kind of walled world - it's the same feeling whether you're in Bangladesh or in a ghetto in New York or Chicago" (p. 158). Yunus says that "poverty should be defined psychologically in terms of those whose place in the society is such that they are internal exiles who, almost inevitably, develop attitudes of defeat and pessimism and who are therefore excluded from taking advantage of new opportunities" (p. 159).

After frustrating experiences with the normal banking system refusing to lend small amounts of capital to the poor, Professor Yunus decided that, rather than move the villages to the capital, he would move the capital to the villages - and the Grameen Bank was born. In 1991, the Grameen Bank had over $1 million borrowers and by 1994, it had over $2 million borrowers. In 1996, the bank's annual disbursements had increased by 400 percent.

Many micro enterprise banks and programs have been set up throughout the world, and while the systems vary according to the contexts and to the culture, their objectives are the same. They use poor people as clients and they seek to provide them with the means to support themselves through dignified self employment. Yunus calls this system socially conscious capitalist enterprise.

The Grameen Bank charges interest at 4 points above the commercial rate and it never forgives loans, but may restructure them. It provides no free services to its borrowers and charges fees, even when it distributes such essential items as seeds, water crystals and salts. It is a private enterprise with 90% of its shares being controlled by its $2 million borrowers.

Some of the rules for belonging to the bank are:

- Interest must be repaid promptly
- Not miss any instalments
- For further loans, the original debt must have been repaid
- Must produce something
- There are five to a group and in that group no two people can share the same cooking pot
- Must have a willingness to take responsibility for each others' loan repayments
- Must be weekly meetings
- Must pay weekly
- Must invest one taka per week

For a short term loan, there can be no withdrawals, and savings and asset accumulation is emphasised. The group itself has to sanction the loans and monitor who it is that enters the program, and acts as a watch dog to ensure people do not default - they give interest free loans to each other.

Once they have up to six groups, they can form a centre. The male and female segments are kept separate. Each centre elects a centre chief and deputy centre chief. All loans are collected at weekly centre meetings. Each centre then has their constitution.

The Constitution is called the Bidhimala and covers: the formation of groups and centres; the duties of group chairmen and secretaries; centre chiefs and deputy centre chiefs; the procedures for disbursements and collections; the administration of the group and emergency funds; the protocol for forming and dissolving groups; and provisions for amendments to the constitution.

Yunus describes the five members of the group as behaving like firemen: "ideally, a group should behave like five fireman holding a tarpaulin to catch somebody about to jump from a building ledge: evenly spaced, each pulling with equal and constant force keeping the canvas taught and centred" (p. 114).

There have also been problems and criticisms of the scheme over the last two decades. One of the criticisms of the Grameen Bank was that it could not cover its costs without international aid subsidies.

Another of the problems has been that international aid agencies have been giving away their relief funds, while Grameen has made it clear that, if help comes, it will come in the form of a loan. Such free handouts, that do not have to be paid back to the aid agencies, have tended to undermine the work of the Grameen Bank, but fortunately in these instances, the villages knew that the Grameen Bank would be around long after the others had left.

Yunus explains that, after 18 years, it is still a learning process and learning has a cost. He maintains that the Grameen Bank is a business enterprise on a sound economic base, and then points out that while special projects after a while disappear, this will not happen to a profit making business enterprise owned by the poor; and therefore, management must always remember that it is for the poor.

Donor funds are insufficient to meet the enormous credit requirements for the poor; but venture capital on the other hand is virtually endless.

The Grameen Bank never forgives loans and this policy sometimes upsets the borrowers. Others have pointed out that borrowers go through great hardship sometimes to pay the instalments.

Yunus's five major themes have been: 1. Credit should be accepted as a fundamental human right; 2. Self employment should be preferred over wage employment as a faster, more humane way to combat poverty; 3. Woman should receive top priority in development efforts because they are most acutely affected by poverty and they are the primary care givers to children; 4. The concept of development should be redefined as an action that brings about an identifiable, positive change in the lives of the poorest 50% of the population; and 5. The conceptual ideas are replaced by sharp, immediate attacks on poverty.

Yunus says people waste an awful lot of time talking about mission statements and may spend $5 million on the missions before they get started on the project themselves. He describes these as inception missions, identification missions, formulation missions, programming missions, reappraisal missions, appraisal missions, follow up missions, and mid term missions. So Muzammel,of Grameen, says they use joint reviews not missions.

Yunus developed his system with the help of inexperienced, but highly committed, student volunteers for three years before testing it in a new location. It took another 5 years before Grameen expanded, so that was 12 years of incubation which the author says is equivalent to three US presidential terms.

Later Yunus instituted a vigorous training program to weed out the least enthusiastic third of each class once he got to thousands of employees. He pointed out that these recruits were fresh out of school, they had never held previous jobs and none came from elite families. They were

locally based, reliable people who were willing to work under difficult conditions and to accept modest salaries. He gave them the opportunities to bring about positive changes in their lives such as developing leadership qualities and *esprit de corp* based on pride and difference.

Yunus built a new type of institution, a socially conscious capitalist enterprise, which was capable of addressing the urgent social needs, in the format of a vital competitive business.

Khalid Shan talks about Grameen Check which is a weaving business. Many of Grameen's $2 million borrowers were weavers or owned hand looms and fifty thousand members were weavers, but had switched to other activities because the local market price for cloth was too low. But then Grameen mobilised a thousand weavers and sold more than $1 million yards of Grameen Check to local garment manufacturers who produced clothes for export.

Muzammel said that he has learned that the poor have tremendous management capability, they know exactly what they want to do and how they want to do it. They only lack the resources. He points out that the cost in providing employment opportunities to $2 million families was less than the price of 2F-16 fighter plans.

Muzammel says the project makes it possible for each individual to contribute his or her fair share. He says let's give the responsibility back to the poor people and create an environment where they can take control of their own lives. And let's do it well.

Other micro enterprise networks are Accion International in Latin America, Cashpor Credit and Savings of the Hard Core poor in South East Asia, and Woman's World Banking which is based in New York. USAid has a program called Gemini Group and Equity through micro enterprise investments and institutions.

In the USA, the Good Faith Fund in Pine Bluff, Kansas and the Woman's Self Employment Project on the south side of Chicago have been operating since the late 1980's. Steven Balkin, a Professor of Economics at Roosevelt University in Chicago has written a book on self employment for low income people .

The Grameen trust is not-for-profit company which supports Grameen replications and poverty research throughout the world.

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Kathryn Gow, with apologies to the author. No responsibility is taken for the errors in this audio transcript.

Footnote: The Cashpor Newsletter is one of the vehicles of communication for micro-finance loan schemes, the Unipor Newsletter could be one for global education.